

No. 14,711.

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

THE COLEMAN COMPANY, INC., a corporation,
Defendant-Appellant,

vs.

HOLLY MANUFACTURING COMPANY, a corporation,
Plaintiff-Appellee.

Appellee's Brief in Opposition to Appellant's Motion
to Remand for Further Trial and to Appellant's
Petition for Rehearing.

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THE LAW AND FACTS SHOW NO BASIS FOR
APPELLANT'S MOTION TO REMAND FOR FUR-
THER TRIAL. THE MOTION SHOULD BE
DENIED.

In discussing a case in which the Circuit Court for the
Seventh Circuit had refused to permit a new trial for
consideration of newly discovered evidence, Mr. Chief
Justice Taft said:

"We can not know what the result of the hearing
would have been on this issue if tried, because only
one side is presented. We are prevented from know-
ing it by a most salutary rule of law which, after
parties have had a full and fair opportunity to pre-
pare their case, refuses to permit them to drag out
litigation by bringing in new evidence which with

due diligence they ought to have discovered before the hearing. The apparent hardship of particular cases should not be and cannot weigh against the application of this sound principle. As Mr. Justice Story remarked in *Ocean Insurance Co. v. Fields*, 2 Story, 59; 18 Fed. Cas. 532, 'It is for the public interest and policy to make an end to litigation, or as was pointedly said by a great jurist, that suits may not be immortal while men are mortal.' " (*Toledo Co. v. Computing Co.*, 261 U. S. 399, 425 (1923).)

Notwithstanding this "salutary rule" appellant, The Coleman Company, now seeks further trial before the District Court on the ground of "newly discovered evidence," consisting of British Patent No. 502,945 granted to Darby, March 28, 1939. According to appellant's motion (p. 2) the patent was discovered ". . . subsequent to the decision rendered herein on April 10, 1956. . . ." A copy of the patent was submitted to this Court with an affidavit of Frederick W. Lyon dated April 27, 1956. According to Mr. Lyon it was discovered "accidentally" by one of his associates "in conducting a search in the United States Patent Office records for other purposes in no way connected with this litigation." [Affidavit, p. 2.] Mr. Lyon also says that "at least three (3) exhaustive searches were made prior to the trial in the United States District Court to turn up pertinent prior art and that none of these said three (3) searches found the aforesaid British Patent No. 502,945; That these searches were diligently made and believed at the time to be exhaustive; That The Coleman Company, Inc., Appellant, through its officers or employees, had no knowledge of the aforesaid British Patent prior to April 12, 1956," and that "no other member of the firm of Lyon

& Lyon, of which Affiant is a member, or other attorneys connected with the firm of Lyon & Lyon, had any knowledge of the aforesaid British Patent prior to the above set forth facts.”

“To secure a rehearing on newly discovered evidence, two questions must be answered affirmatively.

. . .

(1) Has plaintiff exercised due diligence *at all times* in its efforts to secure the newly discovered evidence?

(2) Will such evidence be of such weight or importance as to necessitate a different conclusion?” (*Rome Grader & Mfg. Corp. v. J. D. Adams Mfg. Co.*, 135 F. 2d 617, 621 (7th Cir., 1943).) (Italics added.)

In the case at bar neither of these questions can be answered in the affirmative.

I.

Appellant Has Not Shown and Cannot Show Requisite Diligence and, for This Reason Alone, Is Not Entitled to a New Trial.

There is nothing in the affidavit to show that the “newly discovered evidence” could not have been found prior to the trial. On the contrary, the affidavit contains affirmative evidence that this is not the case. The British patent was found “in the United States Patent Office records.” It had been there for many years, for the United States Patent Office maintains a file of all British patents and its records show that this one was received May 23, 1939. It was therefore available.

“Unless it appears affirmatively that the evidence could not have been obtained in due season, if the

party applying had used all reasonable efforts in that behalf, the application will be denied. It is due to the public interest, as well as to the immediate litigants, that rehearings for the purpose of letting in evidence which might and ought to have been introduced before the hearing should not be tolerated. In no class of cases should the practice of allowing rehearings be more strictly guarded than in cases like the present, where the defense of prior use is relied on to defeat the novelty of a patented invention, because it is seldom that a defendant cannot make it appear that he has discovered additional evidence in support of such a defense.” (*Hicks v. Otto et al.*, 85 Fed. 728, 729 (Cir. Ct. S. D. N. Y., 1884).)

It might have been added that it is seldom that a defendant cannot dig up another patent to urge as prior art, particularly when that patent has been accessible all along.

In the case at bar, the British patent upon which appellant predicates its petition for a new trial has been easily accessible since 1939 and could have been discovered. The situation is analogous to that in *Lockwood v. Cleveland*, 20 Fed. 164, 166 (Cir. Ct. D. N. J., 1884), where a new trial was denied and in which it was said:

“He alleges in his petition that the new facts which he wishes to introduce into the proofs are the public use of the invention . . . and that the invention was well known and publicly used in the trade more than 15 years ago. The evidence, therefore, was easily accessible, and the only reason suggested why it was not obtained was the fact that he did not understand its materiality.”

Mr. Lyon alleged that the “searches were diligently made.” Such a self-serving conclusion is entitled to no weight. Similar statements were made in the case of *Hicks v. Otto* from which we have quoted. There the Court said:

“The defendant states in his affidavit, in general terms, that ‘he has been eager to collect all material evidence,’ and ‘has made great exertion, and every reasonable effort, to defend the suit.’ These are his conclusions, but, if the facts were specified, they might not be the conclusions of the court. Such generality of statement is not sufficient. If it could not be conscientiously made in almost every case, it could be, in every case, with facility and with entire safety.” (*Hicks v. Otto et al.*, *supra*, 85 Fed. 728, 729.)

Moreover, Mr. Lyon’s affidavit does not allege that Mr. Dawson or his firm of Dawson, Tilton and Graham, or that Mr. Eberhardt or his firm of Foulston, Siefkin, Schoeppe, Bartlett and Powers (all of whom appear upon the Petition) did not have prior notice of the British patent. The language of the affidavit is carefully phrased to omit these people, and the omission may be significant. Otherwise, perhaps the statement could not be made “with facility and with entire safety.”

Obviously, then Coleman has not shown diligence in finding the Darby patent. Indeed Coleman has not even shown that the reference is newly discovered. On this basis alone, the motion should be denied.

II.

The British Patent Is Not of That Substantial Character Which Seems, *Prima Facie*, to Seriously Threaten the Validity of the Patent in Suit.

Appellant in its motion urges that the Darby patent “vitiates or, at the very least, *prima facie*, seriously threatens the validity of the patent.” (See *Motor Improvements, Inc. et al. v. General Motors Corp. et al.*, 105 F. 2d 893 (6th Cir., 1931).)

There is no such threat here.

The patent in suit is for a gas-burning wall heater designed to be installed in the wall of a room and connected to a chimney discharging through the roof to the outside atmosphere. The fireplaces upon which appellant relied at the trial and on appeal, and which were held to be insufficient to anticipate the claims of the patent, were at least installed in a wall and connected to a chimney. But the device described in British patent No. 502,945 is not designed to be installed in a wall nor is it connected to a chimney.

Darby's device is a “convection heater particularly adapted to be placed *against a wall*” and it discharges its products of combustion as well as any heated air directly into the room. [Specification, p. 1, lines 100-101.] (Italics added.) True, the specification [p. 1, lines 45-51] contains the vague statement that “the radiator can be used in combination with a gas, oil, electric or solid fuel fire already provided with primary heat radiating means, in which case the radiator forming the subject of this invention will constitute secondary heat radiating means.” In that event Darby suggests using as primary heat radiating means “a burner adapted to produce in

part luminous radiation and in part heat radiation . . . passing through an opening formed in front of the hollow body at the level of the burner. . . .” [Specification, p. 1, lines 55-70.]

However, counsel for appellant [Motion, p. 5] state that the Darby patent “clearly discloses a heat exchanger or economizer designed and adapted to be combined with *any* gas heater for identically the same purposes as those described by the patent in suit,” and then argue that:

“From the drawings and description of the Darby patent, the ‘secondary heat radiating means’ is mounted above and combined with any gas heater—as, for example, appellant’s or appellee’s lower heater. The products of combustion then pass up into and through the Darby radiator or ‘hollow body 30.’ Additional air passes up from around the lower heater and into openings or lowers (*sic*) 36, and around the exterior of the radiator 30, and out opening 35. This provides not merely an intermediate grill for releasing the primary heat from the lower heater, but, in addition, it supplies a second grill opening 35 higher up for the second stage warm air discharge. No gas is burned in Darby’s secondary heater or economizer. The Darby structure will clearly reduce stratification and increase air circulation precisely as does appellee’s instant device.” (Appellant’s Motion, p. 6.)

This argument goes far beyond the facts. Darby does not say that his device can be used with “*any* gas heater.” This is merely an assumption of counsel. At the most Darby suggests using his device with a “primary heat radiating means.” The manner of using his device, as stated by Coleman, “with any gas heater . . . for example appellant’s lower heater” is left completely to

conjecture. And Darby does not indicate that “no gas is burned in Darby’s secondary heater or economizer.” On the contrary, *in every example Darby gives, gas is burned in his device.*

“Such a disclosure in a foreign patent is not a sufficient base for supposing modifications and changes which a skilled mechanic could make and for thereby demonstrating lack of invention by a later United States patentee, who solved the requirements of principle and of practical operation.” (*Westinghouse Electric and Manufacturing Co. v. Wadsworth Electric Manufacturing Co.*, 36 F. 2d 319, 321 (6th Cir., 1929).)

“A foreign patent is to be measured as anticipatory not by what might have been made out of it, but by what is clearly and definitely disclosed by it.” (*Steiner Sales Co. v. Schwartz Sales Co.*, 98 F. 2d 999, 1003 (10th Cir., 1938), cert. den. 305 U. S. 662. See also *Alma Motor Co. v. United States*, 134 Fed. Supp. 641, 646 (Ct. Cls. 1955).)

“An American patent is not anticipated by a foreign patent, unless the latter exhibits the invention in such full, clear, and exact terms as to enable any person skilled in the art to practice it without the necessity of making experiments.

“‘. . . Inference as distinguished from disclosures, especially when drawn in the light of after events, cannot be accepted as a basis of anticipation.’” (*Switzer et al. v. Marzall*, 96 Fed. Supp. 332, 333 (D. C. D. C., 1951).)

But even if the Darby heater were mounted above another gas heater and no gas were burned in the Darby heater, as counsel seeks to infer, the result would not be

the combination required by the claims of the patent in suit. Darby's heater discharges the products of combustion along with any heated air through a single discharge opening (the grille 27) *directly into the room*, rather than into a flue, as in the patented device.

Moreover, the claims of the patent in suit (which appellant's motion papers studiously ignore) require that the horizontal cross section of the second or upper radiator be substantially smaller than that of the first or lower radiator. Darby teaches nothing about this important proportion.

The patent in suit states:

“ . . . if the horizontal cross section of the upper radiator is constricted, preferably until turbulent flow conditions obtain, a large increase in draft, say due to a tall chimney or a high wind, will have a minimum effect at the draft hood below the radiator. Hence the suction at the relief opening of the draft diverter tends toward a constant value. If the system is designed so that it barely draws in air through the draft hood with a short flue (say one four feet high) it will pull only a slightly greater proportion if the flue height is increased. Loss of heat by leakage through the draft hood into the second radiator may thus be held at a low figure even if the wall heater is installed with a flue system that creates excessive draft, and heating efficiency is thereby improved.” [Patent No. 2,602,441, lines 4-19, R. 744.]

As the District Court found, wall heater manufacturers have no control of the height of flues attached to their heaters in buildings and prior to the invention of the patent in suit, there was inadequate control of the amount of warm air sucked from the room into the flue from the

draft hood and thus lost, with consequent decrease in efficiency. [R. 21.] But, as the trial court also found, the combination of elements in the claim (including the two radiators with their specified cross-sectional proportions) “cooperate to permit the thermal input of wall heaters to be increased without bringing about excessive wall temperatures at any point in the wall from floor to ceiling,” and “has simultaneously solved the hot wall problem from floor to ceiling, increased thermal efficiency while permitting increased heat input, improved air circulation within the room, minimized heat loss due to warm air being sucked out of the room into the flue through the draft hood, and has rendered this heat loss substantially independent of flue height.” [R. 21-22.]

The Darby patent, like the prior art references introduced by appellant at the trial, fails completely to teach any solution of problems of wall heater construction, so that, even if it were in the record, it would not have changed the result in the trial court.

Indeed, as far as the record goes, the Darby disclosure is no more than a paper patent, never reduced to practice.

“In our judgment, . . . [Darby’s] purely paper device is at the best but cumulative evidence to the alleged anticipations considered in the opinion heretofore announced.” (*Motor Improvements, Inc. et al. v. General Motors Corp. et al.*, 105 F. 2d 892, 893 (6th Cir., 1939).)

Certainly Coleman’s “newly discovered evidence” does not necessitate a different conclusion by the Court in the case at bar. Nor does it in any manner seriously threaten the validity of the patent in suit.

III.

Summary.

Appellant has failed to show either of the two prime requisites for further trial.

It has failed to show that the British patent to Darby could not have been found prior to the trial. In fact the contrary appears.

It has also failed to show that the “newly discovered evidence” is, *prima facie*, of that substantial character as to seriously threaten the validity of the patent in suit. The Darby patent is a foreign patent entitled to little weight. It is, so far as the record shows, a mere paper patent. Certainly Darby’s disclosure never inspired anyone to mount a second heater above a first, as counsel suggests. This is plain from the testimony of appellant’s design engineer quoted at page 23 of the opinion of this Court. And even if this had been done, the result would not have been what the claims of the patent in suit require. On the contrary, the result would have been a monstrosity that discharged both hot air and products of combustion into the room, and which lacked the controls present in the patented device by which heat loss is rendered substantially independent of flue height.

As this Court has stated, “the parties had a fair trial in which the court met and correctly disposed of all pertinent and material issues of law and fact.” The attempt to inject the Darby patent is unjustified. There must be an end to litigation. Appellant’s motion to remand for further trial should be denied.

APPELLANT'S PETITION FOR REHEARING RE-
ARGUES MATTERS PREVIOUSLY DECIDED.
THE PETITION SHOULD BE DENIED.

Making assertions plainly contrary to the record, appellant, The Coleman Company, seeks a rehearing in this Court.

I.

The Structures in Suit Are Integrated Units.

Despite the fact that exemplars of both Holly's patented wall heater and Coleman's infringing devices were before this Court and considered by this Court in rendering its opinion, Coleman states that:

"The . . . crucial portion of the decision of this Court is based upon a misconception of the structures involved in this case, particularly appellant's [Coleman's] structures to which the opinion is applied."

Coleman further states that:

"Defendant's [Coleman's] economizer and heater structure are *not* a single device 'incapable of division or separate use.' On the contrary, defendant's structures are made in separate units which are installed separately, and one of the units may be used independently and without the other. We regret very much that we have not made this clear to the Court in our earlier briefs." (Pet. p. 18.)

The unvarnished reason for Coleman's failure to make "this clear to the Court" is that the record *cannot* support any such assertion.

True, the Holly patented device and the Coleman infringing models are two-piece units comprising an eco-

nomizer and a lower box. However, the two pieces *must* be installed together as a unit.

As Jack Hollingsworth explained at the trial:

“ . . . [The economizer] is a very definite part of the appliance because it performs a part of the overall function of the appliance.” [R. 143.]

Coleman's Kice also pointed out that both Coleman and Holly “make our own ventilated flue stacks [economizers] and have approval by A. G. A. *as a unit* to be sold with the heater itself.” [R. 301.] (*Italics added.*)

The record also clearly shows that using the lower box alone with an ordinary flue pipe in place of the economizer would void A. G. A. approval and make it impossible to operate the heater. [R. 173.] This fact was emphasized by Mr. Lyon, Coleman's counsel, at the trial as follows:

“[Without the economizer] it would be impossible to use it [the heater] under A. G. A. rules, which the witness, I think, will affirm with me, *none of these heaters can be operated without that approval.*

* * * * *

It might burn a house up. . . .” (*Italics added.*)

Contrary to Coleman's assertions, the uncontroverted record shows then that the economizer is “to be sold with the heater itself.” [R. 301.] And if the heater is installed without the economizer “It might burn a house up.” [R. 142.]

Coleman's Kice provided further conclusive proof that the structures in suit are integrated units. Throughout the trial he referred both to Holly's two-piece patented device as a *unit* and to Coleman's two-piece infringing device as a *unit*. [R. 301, 305, 309, 315-316, 331, 332, 337, 343, 346, 348, 358, 374 and 379.]

Thus, even though the Coleman and Holly heaters are two-piece devices, this Court correctly described the structures in suit as “intergrated,” “unitary” devices.

II.

Holly’s Patent Meets the Requirements of the A & P Case.

Again, despite the opinion of this Court and the findings of the District Court, Coleman on petition for rehearing states:

“This leaves us in the same position as before with the problem of determining whether, after combining the parts into a single unitary structure, the parts cooperate in such a way as to produce a new and surprising result. Moreover, the A & P decision proclaim that this new and unexpected result must be affirmatively specified and demonstrated by appellee.”

The writer of the above statement could not have read this Court’s opinion or the District Court’s findings. As this court approvingly pointed out in its opinion, the trial court found:

“ . . . that the combination of elements described and claimed in the patent in suit cooperate to permit the thermal in-put of wall heaters to be increased without bringing about excessive wall temperatures at any point in the wall from floor to ceiling, and without reducing thermal efficiency of the wall heaters; and that the invention of the patent in suit has simultaneously solved the hot wall problem from floor to ceiling, increased thermal efficiency while permitting increased heat in-put, improved air circulation within the room, minimized heat loss due to warm

air being sucked out of the room into the flue through the draft hood, and has rendered this heat loss substantially independent of flue height.”

Such a result set out in the specifications of the patent in suit and found to exist by the trial court clearly meets the test laid down in the *A & P* decision, 340 U. S. 147 (1950).

The petition for rehearing should be denied.

Respectfully submitted,

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